



**OCIC Testimony regarding Sub. HB 10**  
**House Financial Institutions, Housing, and Urban Development Committee**  
**June 1, 2017**

Chairman Dever, Vice Chairman Sprague, Ranking Member K. Smith and members of the House Financial Institutions, Housing, and Urban Development Committee, I am Jamie N. Beier Grant and currently serve as Director of the Ottawa County Improvement Corporation (OCIC). The OCIC serves as the lead economic and workforce development agency for Ottawa County, Ohio where our economy represents business from a variety of industry sectors (agricultural, industrial, recreation/service/tourism) most of which are driven by small business owners and local entrepreneurs. I would like to thank you for the opportunity to provide written testimony regarding Sub. House Bill 10.

Sub. House Bill 10 provides expanded legislation that was originally proposed through House Bill 593 that would allow intrastate crowdfunding in Ohio as authorized in the Federal Jobs Bill. While the concept of crowdfunding is relatively new, platforms like Kickstarter have created a movement for America's next generation of entrepreneurs to present ideas and creatively look for funding. Per the North American Securities Administrators Association, nine (9) states in the Midwest currently have intrastate crowdfunding programs in place. Ohio joins only North Dakota and South Dakota as Midwest states without such a program. As Ohio looks to keep pace with creative financing and incentive programs that attract our next generation of ideas and business owners, a program as presented in Sub. HB 10 provides that platform for raising capital and equity for a wide variety of business ventures.

In today's business environment, entrepreneurs must compete for market share like never before. As an economic development practitioner who works with business startup ventures and entrepreneurs regularly, I see crowdfunding as a specific mechanism for business startups to leverage a broad pool of potential funding sources and forms, and essentially transform the "traditional" path of commercial financing by giving the business venture a single platform to build, showcase and share their business model for potential investors to consider. By giving them this single platform, crowdfunding helps streamline the traditional financing model and gives investors opportunities to claim a stake in a business venture as they see fit. Flexibility like donation-based crowdfunding or equity-based crowdfunding gives investors choices in how they want to invest and I believe increases the potential for their support of new ideas.

Fundable.com did an article entitled, "Starting Point: What is Crowdfunding?" where they outlined some of the basic benefits of crowdfunding:

- Reach – creates access to thousands of accredited investors from a broad geographic market;

- Presentation – forces a new business venture to create their “elevator speech” right away as a means of attracting interest;
- PR & Marketing – makes sharing and promoting the business venture campaign through a variety of marketing tactics more accessible;
- Validation of Concept – with access to a broad range of experts and investors, entrepreneurs have additional insight into the strengths and weaknesses of their proposal; and
- Efficiency – crowdfunding platforms create a single source of information for everyone to see.

These aspects of crowdfunding as a more flexible fundraising option help enhance the potential for successful ventures to be realized, which will in turn reduce the initial risk of traditional lenders and allow the startup a chance to prove its business plan. It will also give local communities more potential for small business growth in their downtown districts (which helps with downtown revitalization), for new products to find their way to the market and helps make new business startups more attractive to budding entrepreneurs.

I applaud Representative Arndt for his work in presenting Sub. House Bill 10. Intrastate crowdfunding is a creative financing tool that can benefit business across multiple industry sectors and is forward-thinking and inclusive of Ohio’s diverse business base and entrepreneurial spirit that has led to many of this country’s greatest ideas.

Thank you for your consideration of this testimony. Please do not hesitate to contact me directly if you have any questions.

Jamie N. Beier Grant, Director  
Ottawa County Improvement Corporation  
Phone: (419) 898-6242  
Email: [jbgrant@ocic.biz](mailto:jbgrant@ocic.biz)